

ATTN : **Chief, St/I/R** 25X1A9a
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 Chief, S/TR

7 February 1957

Requirements Concerning Economic Effects in Europe of Hungarian Uprising

1. An attempt is being made to assess the economic effects of disruption of transport facilities during and since the Hungarian crisis. Certain major gaps in intelligence have become apparent, which prevent an accurate analysis of the present economic situation in Eastern Europe. It is requested that the following questions be served on pertinent collection agencies on an urgent basis. Information will be of greatest value if received by February 20, but that information which cannot be obtained by this date will nevertheless still be desired. It will be appreciated if each piece of information be forwarded as obtained rather than delayed until all answers are covered.

2. Suggested sources include:

10. *What is the best way to increase the number of people who use a bicycle?*

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3. Following are the questions referred to above:
a) Suggest that following requirements be served on all sources.

1) What is the present level of shipping on the Danube as compared to normal traffic before Hungarian uprising, in terms of number of vessels and amounts of cargo?

2) Are there significant absences of vessels of certain countries? If so for what reason and since what date?

3) Are there evidences of major disruption or shortages in any European (West and East) countries resulting from interruption of deliveries? In what industries or due to lack of what commodities?

4) To what extent does a backlog of cargo deliveries exist, resulting from cessation of Danube traffic through Hungary?

5) Does Danube vessel activity indicate increased utilization (capacity loads and short turnaround) to handle a backlog?

b) Suggest that following requirements be served on State Vienna:

1) Between 24 October 56 and 6 December 56 the Hungarian railroads were not accepting goods for transit shipment.

Consequently, a certain amount of railroad freight which normally would have transited Hungary was routed through Austria and Yugoslavia.

Questions:

- i. What was the volume of this traffic by date and country of origin and destination? If such detail cannot be obtained, a measure of the volume of this traffic could be derived by comparing total Austrian transit traffic between the date on which these shipments began and 6 December 1956 with total Austrian transit traffic during a similar length of time previous to 24 October 56.
- ii. Is there any evidence that the Austrian Railroads were unwilling to accept these shipments or unable to accept all which were offered?
- iii. Did these shipments continue after 6 December 56? If so, until what date did they continue and in what volume (see 3bli above)?

2) Prior to the Hungarian Revolution, much of the railroad traffic from USSR to Austria was routed through Hungary. USSR has reportedly agreed to route such shipments through Czechoslovakia during the first quarter of 1957,

Questions:

- i. To what extent has this agreement been implemented?
- ii. Are railroad shipments from Austria to the USSR being routed through Czechoslovakia?
- iii. What is the present volume of this traffic?

3) Has normal trade between Austria and Hungary been resumed? If so when did normal trade begin?

4) Is the Danube frozen at present or has it been frozen at any time since resumption of traffic through Hungary? If so; where and for how long?

c) Suggest that following requirements be served on State, Belgrade:

1) Between 24 October 56 and 6 December 56 the Hungarian railroads were not accepting goods for transit shipment. Consequently, a certain amount of railroad freight which normally would have transited Hungary was routed through Austria and Yugoslavia.

Questions:

- i. What was the volume of this traffic by date and country of origin and destination? If such detail cannot be obtained, a measure of the volume of this traffic could be derived by comparing total Yugoslavian transit traffic between the date on which these shipments began and 6 December 1956 with total Yugoslavian transit traffic during a similar length of time previous to 24 October 56.
- ii. Is there any evidence that the Yugoslavian Railroads were unwilling to accept these shipments or unable to accept all which were offered?
- iii. Did these shipments continue after 6 December 56? If so, until what date did they continue and in what volume (see 3cli above)?

2) Prior to the Hungarian Revolution, much of the railroad traffic from USSR to Yugoslavia was routed through Hungary.

USSR has reportedly agreed to route such shipments through Romania during the first quarter of 1957.

Questions:

- i. To what extent has this agreement been implemented?
- ii. Are railroad shipments from Yugoslavia to the USSR being rerouted through Romania?
- iii. What is the present volume of this traffic?
- d) Suggest that following requirement be served on State, Prague:
 - 1) What were the principal commodities shipped by Czechoslovakia to USSR on the Danube before the Hungarian events? Have such shipments resumed?
 - e) Suggest following requirements be served on State, Budapest:
 - 1) Compare present level of railroad freight traffic with that of February 1956.
 - 2) Is there evidence that transportation shortages are hindering economic recovery? Piling up of freight at railroad sidings would indicate inability on the part of the railroads to move these goods.
 - 3) Is there evidence that production is lagging behind transport capability? Unusually large numbers of empty freight cars on industrial sidings would indicate this.
 - 4) Is there evidence of loaded and/or empty freight cars congesting railroad yards?
 - 5) Is there evidence of lack of ability on the part of the railroads to move imports from border stations?
 - 6) To what extent has foreign trade (other than relief consignments) resumed?
 - f) Suggest that following requirements be served on State, Prague, Belgrade, Bucharest:
 - 1) Is there evidence of lack of ability on the part of the Hungarian railroads to handle freight shipments being routed to Hungary? This would be evidenced by unusually large numbers of loaded freight cars bound for Hungary standing in rail yards and at border crossing points.
 - 2) To what extent has foreign trade (other than relief consignments) with Hungary resumed?

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